



February 16, 2017

Matt Rodriquez, Secretary for Environmental Protection
California Environmental Protection Agency
P.O. Box 2815
Sacramento, CA 95812

**BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT**

RE: Cap & Trade Auction Proceeds to Benefit Disadvantaged and Low-Income communities.

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Jack P. Broadbent
EXECUTIVE OFFICER/APCO

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Bay Area Air District:



Dear Secretary Rodriquez,

The Bay Area Air Quality Management District (Air District) appreciates the opportunity to comment on draft proposals to prioritize allocation of Cap-and-Trade auction proceeds, the Greenhouse Gas Reduction Fund (GGRF), to California's disadvantaged communities. Prioritization of projects that reduce greenhouse gases (GHGs) in disadvantaged and low-income communities is directed by Senate Bill (SB) 535 (De León, 2012) and, more recently, by Assembly Bill (AB) 1550 (Gomez, 2016). The Air District appreciates the efforts of the California Environmental Protection Agency (CalEPA) and Air Resources Board (ARB) to host discussions and seek input on the specifics of implementing SB 535 and AB 1550.

The Air District's comments below address four sets of issues relevant to the draft proposals for GGRF prioritization. The first set of comments relate to recent updates to CalEnviroScreen (CESv3), CalEPA's screening tool to help identify communities with multiple cumulative environmental impacts. The second set of comments address the application of CESv3 to identify disadvantaged communities in California. A third set of comments specifically address questions posed at the recent workshops on GGRF prioritization about how to identify low-income communities. A fourth and final set of comments address another question raised at the workshops about how to prioritize census tracts with high levels of pollution but where population data are missing or insufficient to generate a CESv3 score.

1. The Air District supports the updates made in the final version 3 of CalEnviroScreen but believes that more changes are still needed to identify top cumulative impact communities in California.

- a. The Air District fully supports the changes made by the Office of Environmental Health Hazard Assessment (OEHHA) to normalize indicators prior to calculating a CESv3 score, such that scores no longer depend on the number of indicators within each category. This change has made CESv3 a more useful tool.

- b. As previously noted, the Air District recommends that weights be assigned to pollution burden indicators to reflect relative health impacts. Currently, within the CES scoring methods, half weighting is uniformly assigned to all Environmental Effects indicators and unit weights are uniformly assigned to all the Exposure indicators. Uniform weighting of indicators disregards current knowledge about the health impacts of various pollutants. For example, we know that health impacts of fine particulate matter are much greater than for ozone.
- c. Census tracts with very high population vulnerabilities (high Population Characteristic scores) and with some very high Exposure indicators (such as Diesel PM Emissions) but with moderate overall Pollution Burden indicators continue to be overlooked in the CESv3 scoring mechanism. The Air District continues to maintain that communities can be overburdened by just a few types of pollution and need not have high scores in all Pollution Burden indicators to suffer serious environmental health impacts. For example, a community with low scores in Drinking Water Quality and Agricultural Pesticide Use, but with top scores in Diesel PM Emissions should score higher than the current CES method allows. The current method tends to score tracts with moderate scores across the board higher than tracts with a few top scores.
- d. A systematic statewide effort is needed, working with California communities, to “ground-truth” CalEnviroScreen. The Air District recommends that CES be evaluated in an open process to test how well it is doing at identifying cumulative impact areas.

2. ARB should not conflate Cumulative Impact Communities as identified via top CESv3 scores with Disadvantaged Communities per SB 535 and AB 1550 directives.

- a. The Air District strongly recommends that a clear distinction be maintained between Cumulative Impact Communities, as identified by CESv3 top scores, and Disadvantaged Communities, per GGRF prioritization directives. CES was developed to map communities with high environmental burdens and high socio-economic disadvantage. Yet, close to a third of the communities designated with a top 25% CES score are not low income. We have strong reservations about using this method to identify disadvantaged communities. We believe poverty is a foundational requirement to label a community ‘disadvantaged’ and should not be just one of twenty variables used to calculate a score.
- b. The methodology for identifying disadvantaged communities has so far completely overlooked proximity to and impact from criteria and toxic pollution from top GHG emitters, the sources of the GGRF. The State is missing an important opportunity to address concerns identified via AB 197 (Garcia, 2016) by not considering co-pollutants of top GHG emitters in mapping GGRF prioritization areas.
- c. Likewise, we recommend that disadvantaged communities faced with current and pending climate change adaptation challenges be prioritized in the process to

allocate GGRF funding. Yet, climate change impacts—high temperatures, drought, fire hazard, and sea-level rise—have not been considered in the current proposal that relies only on top CES scores.

3. The Air District supports ARB's proposal on how to identify low income communities in California.

- a. AB 1550 requires that at least 5 percent of the moneys allocated from the GGRF must fund projects within low-income communities or benefiting low-income households and at least 5 percent of the moneys allocated from the GGRF must fund projects within and benefiting low-income communities, or low-income households, that are within a half mile of a disadvantaged community.
- b. The Air District supports the proposal put forward at the workshops to **use the union of two definitions for "low-income" communities:** i) census tracts with median household income at or below 80% of the Statewide Median Household Income and ii) census tracts with median household income at or below the threshold designated as low-income by the Department of Housing and Community Development's (HCD) list of State income limits.
- c. In combination, the two definitions appropriately identify communities in the Bay Area that are "low-income."

4. The Air District strongly recommends that high pollution census tracts adjacent to disadvantaged communities should be prioritized for GGRF allocations even when population data are insufficient to calculate a CESv3 score for the tracts.

- a. CalEPA's document "Identifying Disadvantaged Communities¹," February 2017, (Figures 4 and 5) shows areas that have top 25% Pollution Burden scores but insufficient data on population characteristics to produce a CESv3 score. At the recent workshops, the question was posed as to whether to prioritize these areas for GGRF allocations.
- b. The Air District recommends that ports and goods movement centers that are i) centers of activity for a variety of heavy-duty equipment operations, with high pollution burdens but low populations, and ii) immediately adjacent to disadvantaged communities, should be prioritized.
- c. Specifically, the Air District recommends that tracts with top 25% Pollution Burden scores or top 25% Diesel PM Emissions or top 25% Traffic Density, but that have unreliable population data and are within half a mile of a disadvantaged community, should be prioritized.
- d. In 2008, the ARB in partnership with the Air District conducted a health risk assessment (HRA) to determine what emission sources were contributing to poor

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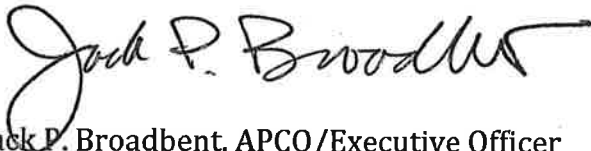
https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/sb_535_identifying_disadvantaged_communities_1_31_17.pdf

air quality in the West Oakland community. That HRA indicated that the health risk from diesel PM in West Oakland was three times higher than other Bay Area communities. A large portion of the health-risk for West Oakland and other Bay Area disadvantaged communities comes from heavy-duty diesel equipment (trucks, cargo-handling equipment, locomotives, etc.) used in freight movement operations.

- e. CESv3 mapping currently describes the Port of Oakland as follows: *"This tract has a low population or the socioeconomic and/or health data are unreliable, and does not receive a CalEnviroScreen score."* Because this area is a center for heavy-duty vehicle and equipment activity (and pollution), immediately adjacent to some of the most impacted communities in the Bay Area (many within the top CESv3 scores), this area should be targeted to reduce emissions and air toxic exposures in the surrounding communities.
- f. Prioritizing the Port of Oakland for GGRF funding is critical to supporting the development and use of zero and near-zero emission technologies in port and freight movement operations that provide direct benefits to the disadvantaged communities adjacent to the Port.

We look forward to continuing to work with ARB and CalEPA to ensure that GGRF funds are prioritized to produce meaningful GHG reductions and to protect health in the Bay Area's disadvantaged communities.

Sincerely,



Jack P. Broadbent, APCO/Executive Officer
Bay Area Air Quality Management District

cc: Steve Heminger, Executive Director MTC
Mary D. Nichols, Board Chair CARB
Richard Corey, Executive Officer CARB